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USIA FOR AR P/G

STATE FOR INR/IC/CD, PM/SAS, AND ARA/RPP

LA PAZ PASS GENERAL WILLIAMS

E.O. 12356: DECL: OADR

TAGS: PREL, PROP, US, CH, PE

SUBJECT: (C) ALLEGED US ARMS SALES TO CHILE: POSSIBLE SOVIET DISINFORMATION

REF: (A) LIMA 2038, (B) STAE 046720

1. CONFIDENTIAL-ENTIRE TEXT.

2. THIS MORNING I TOOK CODEL MONTGOMERY TO MEET WITH MINISTER OF WAR LE. GENERAL OSCAR BRUSH NOEL. WE TOOK OPPORTUNITY AT MEETING TO STRONGLY DENY CURRENT PRESS STORIES IN LIMA TO EFFECT THAT US PLANS MASSIVE ARMS SALES, INCLUDING PERSHING MISSILES, TO CHILE. DURING MEETING GENERAL BRUSH CONFIDENTIALLY PASSED TO ME ALLEGED STATE DEPARTMENT AIRGRAM REGARDING SALES, WHICH APPEARS TO BE CLEAR FORGERY

(NO. A-1490)

TEXT OF AIRGRAM/FOLLOWS:

BEGIN QUOTE:

DEPARTMENT OF STATE

AIRGRAM

CONFIDENTIAL

TO: ALL US DIPLOMATIC POSTS

E.O. 12356: GAS

TAGS: MASS, CI

FROM: DEPARTMENT OF STATE

SUBJECT: SALE OF DEFENSE EQUIPMENT AND SERVICES TO CHILDE

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REF: (A) A-1212
(B) 10 FAM 750

ENCLOSED IS ADVISORY LETTER PM/MC LISTING THE DEFENSE EQUIPMENT TO BE TRANSFERED TO CHILE IN ACCORDANCE WITH ITAR AMENDMENTS AND PROCEDURES.

THIS ADVISORY LETTER IS BEING DISTRIBUTED ONLY TO POSTS IN LATIN AMERICA, IN AN EFFORT TO KEEP THEM INFORMED OF CURRENT EVENTS AND AREA REQUIREMENTS OF MILITARY ASSISTANCE AND SALES TO LATIN AMERICAN COUNTRIES.

FUTURE NEWS WILL BE DISTRIBUTED AS THEY ARE PUBLISHED.

ENCLOSURE:

MC ADVISORY LETTER NO 98

SHULTZ

DEPARTMENT OF STATE
WASHINGTON, D.C. 20520
CONFIDENTIAL
ADVISORY LETTER ON AMMUNITION CONTROL
NO. 98
12/82

ARMS TRANSFERS POLICY: SALE OF DEFENSE EQUIPMENT/SERVICES TO CHILE ON OCTOBER 22, 1981, THE SENATE RECOMMENDED TO EXCLUDE CHILE FROM THE ITAR LIST OF COUNTRIES WHICH ARE DENIED LICENSES FOR EXPORTS OF AMMUNITION FROM THE UNITED STATES AND OTHER CLEARANCES.

AS A RESULT, CHILE HAS GAINED FULL RIGHTS UNDER ITAR PROCEDURES. IN ADDITION, ALL THE ITAR AMENDMENTS AND PROCEDURES PUBLISHED IN ADVISORY LETTER NO. 96 OF SEPTEMBER 1982 ARE APPLICABLE TO CHILE.

THE LIST OF DEFENSE EQUIPMENT APPROVED TO BE TRANSFERED TO CHILE IN 1983-1984 IS AS FOLLOWS:

1. "STINGER (FIM-92A) PORTABLE ANTIAIRCRAFT MISSILE, 200 MISSILE LAUNCHING TUBES AND 800 MISSILES.
2. MULTIPLE LAUNCHING ROCKET SYSTEM (MLRS), 12 X 240 MM., 4 UNITS
3. ROCKET LAUNCHER (M91), 115 MM 45, WITH M-55 CHEMICAL ROCKETS (GB) -8 UNITS, AND 4,000 ROCKETS.
4. "LANCE" BATTLEFIELD SUPPORT MISSILE SYSTEM (MGM-52C), WITH M-251 (BG) WARHEADS - 5 UNITS

IN ADDITION, BATTALIONS OF "PERSHING" BATTLEFIELD SUPPORT MISSILES (MGM31-A) SHALL BE TRANSFERED TO THE CHILEAN ARMED FORCES IN 1984-1985 AFTER THE "PERSHING II" MISSILE BALLISTIC SYSTEMS ARE INSTALLED IN WEST GERMANY.

THE MGM 31-A MISSILES WILL BE PROVIDED TO CHILE AT A SPECIAL DISCOUNT RATE OF OVER 60 PERCENT, AND THE WHOLE TRANSACTION WILL BE COVERED BY A LOAN OF US\$780 MILLION TO CHILE, REIMBURSABLE OVER A PERIOD OF 10 YEARS AT AN ANNUAL RATE OF 8.5 PERCENT.

END QUOTE.

3. ACTION REQUESTED: PLEASE REVIEW TEXT TO CONFIRM FORGERY. WE PLAN TO PUBLICIZE THIS AS EXAMPLE OF PROBABLE SOVIET DISINFORMATION EFFORT.

OGDEN

END OF MESSAGE

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